

Toomey spares area hospitals Medicare cuts

When new reimbursement rates to hospitals by Medicare — provider of health benefits to 34 million senior citizens and 5 million disabled Americans — began Oct. 1, Lehigh Valley Hospital found itself in an enviable position. LVH was one of 80 hospitals nationwide that met the criteria for a higher reimbursement; the hospital qualified for an estimated \$6 million more in Medicare payments through a reclassification to the Philadelphia market.

But the changes in Medicare reimbursements also left seven other area hospitals out in the cold, with at least \$6 million less. Already hurting from cuts mandated by the Balanced Budget Act of 1997, the seven hospitals in Lehigh, Northampton and Carbon counties turned to a consultant and members of

Congress for help. Several were sympathetic and worked to assist St. Luke's in Fountain Hill, Easton Hospital, Sacred Heart Hospital in Allentown, Muhlenberg Hospital in Bethlehem, St. Luke's Hospital Al-

lentown campus, Palmerton Hospital and Gnadentown Huetten Hospital in Lehigh. But it appears the man at the forefront of the bailout last week was U.S. Rep. Pat Toomey, R-15th District.

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With help from Rep. Paul Kanjorski, D-11th District, Rep. Toomey secured support by pestering U.S. Rep. Bill Thomas, R-Calif., chairman of the House Ways and Means subcommittee on health, for a special provision in a larger Medicare and omnibus appropriations bill passed Thursday in the House. U.S. Sen. Rick Santorum, R-Pa., did similar work in the Senate; U.S. Sen. Arlen Specter and U.S. Rep. James Greenwood, R-10th, also went to bat to help area hospitals. Senate approval is expected.

The special provision, covering this fiscal year and next, retroactive to Oct. 1, corrects an anomaly in the way Medicare pays hospitals. LVH in Salisbury Township will be permitted to keep a higher rate of reimbursement without cutting reimbursements to the other seven area hospitals. Medicare pays all hospitals the same amount for treatments but adjusts those payments for other expenses such as wages. LVH's wages are more in line with those in the Philadelphia area, prompting their new classification as of Oct. 1.

But when LVH's wages were removed from the local mix, it lowered the other area hospitals' average hourly wages and then their Medicare payments as well. The seven in the Allentown-Bethlehem-Easton region were harder hit financially than any of the 13 other markets with geographic reclassifications this year — \$6 million to \$8 million, representing about 25 percent of the \$31 million loss throughout the nation. It's unsettling to think of the economic ramifications for this region if representatives like Mr. Toomey hadn't come to the rescue with a quick fix for an impending crisis.